

IN THE SPECIFICATION

Please amend the paragraph beginning at page 3, line 3, with the following rewritten paragraph:

FIG. 1 depicts the CPP spin-valve element disclosed by U.S. Pat. No. 6,560,077. The spin-valve element includes magnetic layer structures 11 and 12, either one of which is a free layer structure and the other is a pinned layer structure with a non-magnetic conducting spacer layer structure 13 and a CC-layer structure 14 in between. Each layer structure has a width w and a height h . The CC-layer structure confines the current path going from one side of the CC-layer structure to the other side of the CC-layer structure in order to increase the total resistance of the spin-valve element. This enables a high output voltage when a reasonable amount of current is applied to the spin-valve element perpendicular to the element. The CC-layer structure 14 includes an insulator with a conducting part or a plurality of conducting parts. In case the conducting part is of a hole, the magnetic layer structure 11 and the conducting spacer layer structure 13 are directly connected to each other through the hole(s). The CC-layer structure 14 can be of a mosaic structure composed of at least two parts having significantly different conductivities. The spin-valve element is connected to a current source which applies a current from one side to the other through the leads 15 and 15'. The leads may be either of a magnetic or of a nonmagnetic material. When applied to magnetic recording read heads it is especially beneficial for avoiding the additional magnetic noise if the distance between the adjacent conducting parts is made smaller than the, so called, "exchange length" of the free layer material, which is usually in the range of between several tens of nanometers to several hundred nanometers.